

Government and Business: 3 Trends In Changing Relationship

1

"Laissez Faire"

"Let them do as they choose"

"Hands off"

In the early 1800s, the government had a "hands off" approach to business

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2

Government Aids to Business

Morrill Tariff - 1861 - increase in tax on imported goods; to bring in revenue for the war, to encourage business (American businesses paid no tax)

National Banking Act - established a system of national banks with a common currency

interstate commerce - business across state lines or between several states

Morrill Act - created public universities to teach agriculture and mechanical sciences

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Government Aids to Business

postal reform - Congress expanded rural delivery and package delivery (and low rates)

subsidies - payments or land from the government to support business

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3

Government Regulations of Business

monopoly - one company with control of a market

pool - agreement among companies to control production and divide a market

trust - group of companies whose stock is controlled by the same board of directors

Interstate Commerce Act - law to determine reasonable rates for railroads

Sherman Antitrust Act - law to prevent corporations from becoming monopolies